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IT'S NOT TOO OFTEN THAT I GET A CHANCE TO COME BACK HOME TO TEXAS  
AND MEET WITH FARMERS OR THEIR ORGANIZATIONS.

Reserve

I'VE KNOWN AND WORKED WITH YOUR LEADERSHIP FOR MANY YEARS. YOUR  
STATE PRESIDENT, CAROL CHALOUPKA, IS ONE OF THE STRONGEST ADVOCATES OF A  
HEALTHY AMERICAN FAMILY FARM SYSTEM THAT I KNOW. HE'S BEEN GOOD COUNSEL FOR  
ME AND A VERY CLOSE PERSONAL FRIEND.

I'M VERY PLEASED TO BE HERE AT YOUR ANNUAL CONVENTION THIS AFTERNOON.

I HAVE TWO THINGS TO TALK ABOUT TODAY. THE FIRST IS THAT AMERICAN  
AGRICULTURE ISN'T COLLAPSING AS SOME WOULD HAVE YOU BELIEVE. THE SECOND IS  
THAT THE FOOD AND AGRICULTURE POLICIES AND PROGRAMS OF PRESIDENT JIMMY CARTER  
AND BOB BERGLAND MUST BE DISCUSSED SO THAT PRODUCERS ARE ACCURATELY INFORMED  
ABOUT WHAT WE'RE DOING.

SOME PEOPLE SEEM TO THINK THAT AMERICA'S FOOD COMES FROM AN ETERNAL  
SPRING -- THAT IT IS UNENDING.

WE CANNOT AFFORD TO TAKE OUR FOOD SYSTEM FOR GRANTED, AND THIS  
ADMINISTRATION WON'T.

TIMES HAVE CHANGED IN WASHINGTON. FOR THE FIRST TIME IN UNITED  
STATES HISTORY, WE HAVE ADOPTED REALISTIC OBJECTIVES FOR THE FUTURE OF  
AMERICAN PRODUCERS AND THE FOOD AND AGRICULTURE INDUSTRY.

REMARKS OF DEPUTY SECRETARY JOHN C. WHITE BEFORE THE TEXAS FARM BUREAU  
ANNUAL CONVENTION, SHAMROCK HOTEL, HOUSTON, TEXAS, NOVEMBER 29, 1977.

THIS COMPREHENSIVE NATIONAL FOOD POLICY IS BASED ON HARD REALITIES:

-- WE WILL MAINTAIN A HEALTHY RURAL AMERICA WITH A STRONG FAMILY-FARM ORIENTED SYSTEM OF FOOD AND AGRICULTURE. WE ARE MOVING AGGRESSIVELY TO STRENGTHEN EXPORT MARKETS FOR U.S. FARMERS.

-- WE ARE MOVING AS RAPIDLY AS POSSIBLE TO DEVELOP NEW ENERGY RESOURCES AND PROMOTE ENERGY CONSERVATION THROUGHOUT THE FOOD AND AGRICULTURE INDUSTRY.

-- WE ARE COMMITTED TO A MAJOR HUMAN NUTRITION RESEARCH AND EDUCATION EFFORT.

-- WE ARE MAKING ALL DOMESTIC AND FOREIGN FOOD ASSISTANCE PROGRAMS RESPONSIVE TO THE PEOPLE THEY ARE DESIGNED TO HELP.

I'M NOT GOING TO STAND HERE TODAY AND TELL YOU THAT EVERYTHING IS ROSEY IN AGRICULTURE. IT'S NOT. MOST OF YOU HERE TODAY KNOW WHAT'S HAPPENED SINCE 1973. NET FARM INCOME HAS FALLEN PRECIPITOUSLY. COMMODITY PRICES HAVE DROPPED TO LEVELS THAT ARE WAY TOO LOW. COSTS OF INPUTS HAVE SKYROCKETED.

CHART ALL OF THESE THINGS ON A GRAPH AND IT LOOKS LIKE A TRAIN SPEEDING OUT OF CONTROL DOWN THE WESTERN SLOPE OF THE CONTINENTAL DIVIDE. WHEN THAT TRAIN HIT THE VALLEYS, WE GOT ON. THAT WAS TEN MONTHS AGO.

TODAY, I THINK THERE ARE STRONG INDICATIONS THAT POOR FARM INCOME HAS BOTTOMED OUT. WE'VE STILL GOT PROBLEMS. WE HAVE TO TURN AROUND FARM INCOME, AND WE WILL.



WE'RE ENCOURAGED THAT THE OUTLOOK FOR COMMODITY PRICES AND NET FARM INCOME IS CHANGING:

-- THE WORLD GRAIN SITUATION HAS CHANGED A LOT RECENTLY. THE SOVIET UNION SHORTFALL OF 25-30 MILLION METRIC TONS. THE WET HARVEST CONDITIONS IN CANADA. THE DECREASED PRODUCTION IN POLAND AND MUCH OF THE SOUTHERN HEMISPHERE.

-- THERE'S INCREASED EXPORT DEMAND FOR U.S. WHEAT, CORN, AND SOYBEANS. SO FAR THIS YEAR, THE SOVIET UNION HAS BOUGHT 1.6 MILLION TONS OF WHEAT AND 2.9 MILLION TONS OF CORN. AND, THEIR PURCHASES ARE INCREASING. WE'VE TOLD THE SOVIETS THAT THEY CAN BUY UP TO 15 MILLION TONS OF WHEAT AND CORN THIS YEAR -- 7 MILLION TONS MORE THAN THE MAXIMUM OUR AGREEMENT CALLS FOR.

-- FOR THE FIRST TIME SINCE 1974, THE PEOPLES REPUBLIC OF CHINA HAS BOUGHT SOYBEANS FROM THE UNITED STATES. THE SALES HAVE BEEN SMALL, BY COMPARISON -- 75,000 METRIC TONS OF SOYBEANS AND 38,000 METRIC TONS OF SOYBEAN OIL. BUT THEY'RE A START.

-- LOOK AT CASH COMMODITY PRICES. SINCE JUNE 13TH, WHEAT AT KANSAS CITY HAS INCREASED 67 CENTS PER BUSHEL. THAT'S MORE THAN JUST A SEASONAL ADJUSTMENT. SINCE AUGUST 22, CHICAGO CORN HAS GONE UP 47 CENTS PER BUSHEL. SOYBEANS AT CHICAGO HAVE ALSO JUMPED IN PRICE -- \$1.11 SINCE OCTOBER 20TH.

WE'RE HOPEFUL THAT THESE INCREASES ARE JUST THE BEGINNING.

-- AND AGRICULTURAL EXPORTS FOR THE LAST FISCAL YEAR INCREASED OVER \$1 BILLION FROM FISCAL 1976. THE VALUE WAS A RECORD \$24 BILLION.

TWO WEEKS AGO SECRETARY BERGLAND ANNOUNCED A \$750 MILLION INCREASE IN THE FISCAL 1978 BUDGET FOR FINANCING SALES OF U.S. AGRICULTURAL COMMODITIES, UNDER THE COMMODITY CREDIT CORPORATION EXPORT CREDIT SALES PROGRAM.

THE INCREASED FINANCING LEVEL --NEARLY DOUBLE WHAT WAS ACTUALLY SPENT IN FISCAL '77 -- WILL STRENGTHEN U.S. EXPORTS, AND GIVE SOME DEVELOPING COUNTRIES THE OPPORTUNITY TO MAKE THE TRANSITION FROM PUBLIC LAW 480 LONG-TERM CREDIT AGREEMENTS TO THE SHORT-TERM, COMMERCIAL CCC CREDIT PROGRAM.

WE ARE BEING AGGRESSIVE IN EXPORT DEVELOPMENT.

TO BE CERTAIN THAT THE POLICIES AND THE PROGRAMS ADOPTED BY THIS ADMINISTRATION ARE SUCCESSFUL, THEY MUST MEET FOUR CRUCIAL TESTS.

THEY MUST:

-- BE GOOD FOR FARMERS;

-- BE GOOD FOR CONSUMERS AND MEET THEIR NEEDS FOR ABUNDANT FOOD AT FAIR PRICES;

-- MEET OUR INTERNATIONAL COMMITMENTS BECAUSE FOOD IS THE FOUNDATION FOR PEACE IN THE WORLD; AND

-- MEET THE HUMANITARIAN GOALS OF THE UNITED STATES FOR OUR CITIZENS AND PEOPLE THROUGHOUT THE WORLD.

WE'RE PUTTING THESE PRINCIPLES TO WORK IN THE FOOD AND AGRICULTURE ACT OF 1977.

THE NEW LAW:

-- PROVIDES PRICE SUPPORT LOANS FOR OUR MAJOR COMMODITIES THAT WILL KEEP U.S.-PRODUCED CROPS COMPETITIVE IN WORLD MARKETS.

-- PROVIDES THE MECHANISM TO SUPPORT FARMERS' INCOME THROUGH DEFICIENCY PAYMENTS. THIS YEAR ALONE, THESE PAYMENTS WILL TOTAL ALMOST \$1.2 BILLION TO WHEAT PRODUCERS. TEXAS WILL RECEIVE ALMOST \$63 MILLION, OR \$14 PER ACRE ON 1977 ALLOTTED ACRES.

-- ESTABLISHES A 30-35 MILLION METRIC TON FOOD AND FEED GRAIN RESERVE, PRINCIPALLY FARMER OWNED AND CONTROLLED. THIS WILL INSULATE MAJOR STOCKS FROM THE MARKETPLACE AND REMOVE THE PRESSURE THAT HAS BEEN ON COMMODITY PRICES.

IT WILL ASSURE BUYERS THAT THE UNITED STATES IS A DEPENDABLE SUPPLIER OF QUALITY FOOD AND FEED GRAINS, EVEN THOUGH WE MAY HAVE A POOR HARVEST.

IT WILL HELP US AVOID NEEDLESS EXPORT CONTROLS AND EMBARGOES THAT HURT AMERICAN FARMERS AND CONSUMERS AND LEAD TO THE LOSS OF FOREIGN MARKETS.

-- PROVIDES SET-ASIDE AUTHORITY TO BRING PRODUCTION MORE CLOSELY IN LINE WITH POTENTIAL DEMAND, SO THAT FARMERS WILL PRODUCE FOR MARKETS. WE HAVE ANNOUNCED A 20 PERCENT SET-ASIDE ON WHEAT.

JUST ABOUT TWO WEEKS AGO, I ANNOUNCED IN BEHALF OF THE PRESIDENT AND SECRETARY BERGLAND A 10 PERCENT SET-ASIDE FOR 1978-CROP CORN, SORGHUM, AND BARLEY. THIS SET-ASIDE IS CONDITIONAL UNTIL WE REVIEW THE WORLD AND DOMESTIC SITUATION AGAIN IN JANUARY AND FEBRUARY.

IN ADDITION TO REDUCING U.S. PRODUCTION BY ABOUT 7 MILLION TONS, THIS SET-ASIDE WILL ALSO PROMOTE GOOD CONSERVATION. IT TAKES THE PRESSURE OFF FARMERS TO USE THEIR MARGINAL LANDS TO RAISE CROPS AND IT ENCOURAGES FARMERS TO CONCENTRATE PRODUCTION ON PRIME AGRICULTURAL LANDS.



-- MAKES SUBSTANTIAL REVISIONS IN THE FOREIGN FOOD ASSISTANCE PROGRAMS. IT STRENGTHENS OUR COMMITMENT TO USE PUBLIC LAW 480 AS A MAJOR MARKET DEVELOPMENT TOOL, NOT A SURPLUS COMMODITY DISPOSAL GIVE-AWAY.

-- BROADENS THE RESEARCH MISSIONS OF THE DEPARTMENT OF AGRICULTURE. IT GRANTS NEW AUTHORITY TO SEARCH FOR AND DEVELOP ALTERNATE ENERGY RESOURCES FOR AGRICULTURE.

-- MANDATES RESEARCH PRIORITIES ON HUMAN NUTRITION TO MAKE CERTAIN THAT WE KNOW AS MUCH AS POSSIBLE ABOUT THE NUTRITIONAL NEEDS OF ALL PEOPLE.

-- REFORMS THE FOOD STAMP PROGRAM THROUGH THE ELIMINATION OF THE PURCHASE REQUIREMENT AND THE TIGHTENING OF ELIGIBILITY STANDARDS. IT MAKES FOOD STAMPS MORE AVAILABLE TO OUR CITIZENS WHO NEED THEM THE MOST.

IN ADDITION TO THE TOOLS PROVIDED IN THE NEW LAW, THE ADMINISTRATION IS MOVING WITH GREATER DETERMINATION TO:

-- EXPAND MARKET DEVELOPMENT PROGRAMS ABROAD;

-- LIBERALIZE AND MAKE MORE EFFECTIVE USE OF CCC CREDIT IN FOREIGN SALES;

-- COMPLETE THE MULTI-LATERAL TRADE NEGOTIATIONS IN GENEVA AND ADVANCE THE INTERESTS OF FARMERS;

-- NEGOTIATE INTERNATIONAL COMMODITY AGREEMENTS AND WORLD FOOD RESERVES; AND,



— COORDINATE FOOD AND AGRICULTURE POLICY. THE PRESIDENT HAS CREATED A CABINET-LEVEL WORKING GROUP ON FOOD AND AGRICULTURE POLICY, CHAIRED BY THE DEPARTMENT OF AGRICULTURE.

WHEN HE ANNOUNCED THIS GROUP, THE PRESIDENT SAID, "THIS ADMINISTRATION IS DETERMINED TO DEVELOP FOOD AND AGRICULTURE POLICIES WHICH HELP THE PEOPLE WHO NEED HELP THE MOST, BOTH IN THE UNITED STATES AND ABROAD. OUR POLICY SHOULD GIVE PRODUCERS THE GREATEST POSSIBLE ACCESS TO FOREIGN MARKETS, WHILE HELPING POOR NATIONS IMPROVE THEIR OWN ABILITY TO PRODUCE AND DISTRIBUTE FOOD."

SINCE FEBRUARY 22, 1977, THIS ADMINISTRATION HAS TAKEN 16 SEPARATE ADMINISTRATIVE ACTIONS TO ASSIST AMERICAN FARMERS.

IN REALITY, FARMERS WILL BE USING LESS FUEL, LESS FERTILIZER, LESS ENERGY TO RAISE FOOD AND FIBER, AND AT THE SAME TIME WILL BE WORKING TOWARD BETTER PROTECTION OF OUR RENEWABLE RESOURCES -- THE LAND AND WATER.

THE PRESIDENT HAS PROPOSED A THREE-POINT PROGRAM AS THE BASIS FOR A COMPREHENSIVE NATIONAL ENERGY POLICY: CONSERVATION, FAIR PRODUCTION INCENTIVES, AND A CONVERSION TO ALTERNATIVE ENERGY SOURCES. TO ACHIEVE THESE OBJECTIVES, THE PRESIDENT HAS SUGGESTED THREE SEPARATE AND OVERRIDING PRINCIPLES:

FIRST, EACH PART OF OUR DIVERSE SOCIETY MUST SHARE EQUALLY IN THE DIFFICULT JOB OF BALANCING OUR NEEDS WITH OUR RESOURCES. A PROGRAM THAT IS UNFAIR CANNOT SUCCEED.

SECOND, THE PRESIDENT'S PROGRAM SEEKS TO KEEP GOVERNMENTAL INTRUSION AND RED TAPE TO A MINIMUM. WHEREVER POSSIBLE, CONSISTENT WITH OUR GOALS, VOLUNTARY MEASURES AND MARKETPLACE INCENTIVES HAVE BEEN CHOSEN OVER COMPLEX REGULATIONS AND REQUIREMENTS. IF WE ACT VOLUNTARILY, WE CAN AVOID HARSH MEASURES LIKE RATIONING, GOVERNMENT-PRESCRIBED STANDARDS OF PERFORMANCE FOR INDUSTRY, AND A CRASH EFFORT TO PRODUCE EVERYTHING WE CAN, REGARDLESS OF THE ECONOMIC OR ENVIRONMENTAL COSTS.

AND LAST, THE PLAN DOESN'T BREAK THE FEDERAL BUDGET BY "LEAVING IT TO UNCLE SAM" TO TRY TO SPEND OUR WAY OUT OF THE PROBLEM.

LET ME SAY IN CLOSING THAT IT WOULD BE VERY EASY TO SAY THIS AFTERNOON THAT WE CAN SOLVE ALL FARMERS' PROBLEMS OVERNIGHT.

HOWEVER, THAT ISN'T POSSIBLE. BUT I DO FIRMLY BELIEVE IN AMERICAN FARMERS AND IN THEIR CONTINUED ABILITY TO PRODUCE FOOD AND FIBER.

THE PROBLEMS WE NOW FACE ARE BEING SOLVED AND THE NEW POLICIES AND PROGRAMS OF THIS ADMINISTRATION ARE WORKING.

WITH YOUR HELP AND ASSISTANCE AMERICA'S FOOD AND AGRICULTURE SYSTEM WILL CONTINUE TO BE THE BEST IN THE WORLD.

THANK YOU.

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